MINISTRY OF FINANCE

Annual Report 1983

Province of
British Columbia

Ministry of Finance

Annual Report

For the year ended
December 31, 1983

Province of
British Columbia

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The Honourable Robert G. Rogers
Lieutenant Governor of the
Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

I have the honour, Sir, to submit the Annual Report of the Ministry of Finance for the year ended December 31, 1983.

Hugh A. Curtis
Minister of Finance.

The Honourable Hugh A. Curtis
Minister of Finance
Parliament Buildings
Victoria, B.C.

Sir:

I have the honour to submit for your consideration the Annual Report of the Ministry of Finance for the year ending December 31, 1983.

L.I. Bell
Deputy Minister.

MINISTRY OF FINANCE OFFICERS

Minister	Honourable Hugh Curtis
Deputy Minister and Secretary, Treasury Board	L.I. Bell
Treasury Board Staff	D.L. Emerson, Deputy Secretary and Assistant Deputy Minister
	P.G. Halkett, Director, Taxation and Intergovernmental Relations
	D.M. Hyndman, Director, Economic and Fiscal Policy
	D.E. Allen, Director, Government Estimates and Administrative Policy
	Alan Eastwood, Director, Financial and Budget Analysis Policy
	W.E. Evans, Director, Economic Development Policy
	P.J. Adams, Director, Social Policy
Revenue	K.M. Lightbody, Assistant Deputy Minister
	E.J. Turner, Executive Director, Consumer Taxation
	A.B. Carver, Acting Director, Income Taxation
	E.L. Munro, Acting Director, Real Property Taxation
	Norman Mogensen, Director, Revenue Administration

Office of the Comptroller General	D.B. Marson, Comptroller General
	K.M. Prowse, Deputy Comptroller General
	R.C. Corbeil, Director, Policy Development
	R.L. Hunter, Director, Policy Implementation
	M.A. Petrie, Director, Reporting & Analysis
	A.C. Pickering, Acting Director, Government Payroll Office
	D.J. Sandell, Acting Director, Financial Disbursement Operation
	A.R. Horner, Acting Director, Central Accounting
	F.G. Hepburn, Executive Director, Internal Audit
Provincial Treasury	H.G. Ferguson, Assistant Deputy Minister
	D.G. Pearce, Director, Banking and Cash Management
	L.A. Blain, Director, Central Borrowing and Planning
	R.W. Vipond, Director, Investments
	K.E. Littler, Director, Securities and Administration.

Management Services	R.A. Messent, Executive Director
	R.D. Krowchuk, Director, Financial Services and Administration
	W.H. Bell, Director, Personnel Services
	J.G. Harvey, Acting Director, Systems and Data Processing
	G.L. Brodie, Director, Government Agencies
Information Services	C.L. Temple, Director
Purchasing Commission	C.S. Hutchings, Chief Executive Officer
Provincial Capital Commission	R.L. Rutherford, Manager

DEPUTY MINISTER'S MESSAGE

The year 1983 brought to fruition, but not conclusion, the process of documentation, work simplification, and automation within the Ministry of Finance. It is only with these tools that the ministry has been able to reduce its manpower by 25 per cent while, in many areas, increasing its workload. As examples, the Provincial Treasury is clearly performing more and different tasks than in previous years with the introduction and maintenance of the Direct Deposit pay system, a broader use of capital markets, and the diversification which follows from the passage of the Provincial Treasury Financing Amendment Act.

Treasury Board Staff has shifted its focus from that of detailed review to one of much more substantive financial and management issues. In 1983, the Revenue Division also has been faced with greater complexity in certain provincial tax bases and with greater difficulty in performing its tax collection function in the prevailing economic climate. The Office of the Comptroller General has accelerated the decentralization of financial administration throughout the government, taking care that at the same time, sufficient controls remain in place to ensure the safe-keeping of the public dollar. The Management Services Division has throughout 1983 successfully faced the often difficult job of ensuring continuity of service to the other divisions in a period of restraint. Among the most significant of the government's privatization initiatives was that undertaken by the Government Agencies. This branch has, in 1983, transferred to small businesses throughout the province $130 million worth of Autoplan sales, while continuing to serve as a cost-effective, decentralized delivery system for all of government.

The Purchasing Commission has played a significant role in the government's internal restraint program, by enhancing the quality of service it provides to ministries and government bodies while achieving significant savings, through a variety of methods including the increased use of warehousing and bulk purchase techniques.

Within the Finance Ministry, each manager is asked to define the product for which he is responsible, to cost the product, and to describe it in qualitative terms. The resulting efficiency and effectiveness measures are the yardstick by which performance is measured. The Finance Ministry met and in many cases exceeded these goals in 1983 in spite of difficult circumstances throughout government resulting from the economic climate. I am proud that the Finance Ministry has met this challenge.

Finally, the success of the Finance Ministry in achieving these goals has relied on the willing and dedicated staff who, I am certain, will continue to respond in a positive and professional manner to changing times.

L.I. Bell
Deputy Minister

ANNUAL REPORT

TREASURY BOARD STAFF

TREASURY BOARD STAFF

The main objective of Treasury Board Staff is to provide analyses of and advice on economic, fiscal and budgetary matters to Treasury Board and to the Minister of Finance. As well, division staff in 1983 prepared the annual budget speech, estimates of expenditure and supplement to the estimates. It is also the role of Treasury Board Staff to assist in development of British Columbia's position on fiscal relations with the federal and other provincial governments and with other levels of government within the Province.

Treasury Board Staff has six branches:

Economic & Fiscal Policy
Taxation & Intergovernmental Relations
Social Policy
Economic Development Policy
Financial & Budget Analysis
Government Estimates & Administrative Policy

For 1983, the division set the following objectives:

- to carry out an analysis of major programs within government
- to refine a model of the province's economy
- to undertake a study of the comparative tax burden borne by different industries in the province
- to streamline the capital budgeting system of the provincial government and its entities.

The division made significant progress toward these objectives in 1983; it also continued an earlier project of significantly reducing the number of Treasury Board submissions, from 884 in 1982 to 374 in 1983. A Treasury Board submission is a request to Treasury Board from a government ministry for approval of certain financial or administrative actions.

ECONOMIC AND FISCAL POLICY BRANCH

The Economic and Fiscal Policy Branch is responsible for economic analysis, monitoring and forecasting of economic conditions for the province as well as for fiscal planning and analysis and for analysis of the provincial labour market. The branch also coordinated the provincial government's capital budget in 1983 and played a key role in preparation of the 1983 budget speech.

Among the objectives of the branch for 1983 was the improvement of economic forecasting and the development of alternative scenarios for provincial economic planning. This was achieved through staff involvement in an increased number of consultation sessions with a broad range of outside economic forecasting groups.

Another objective was the simplification of the provincial government's capital budgeting methodology with the goal of integrating it into the fiscal planning process. A new system for monitoring of capital project

activity was developed using a microcomputer, which provided improved information on the fiscal impact of capital spending.

TAXATION AND INTERGOVERNMENTAL RELATIONS BRANCH

The Taxation and Intergovernmental Relations Branch is responsible for the analysis and preparation of recommendations to the Minister of Finance on provincial tax and revenue issues as well as on issues related to the federal and municipal governments. A major initiative of the provincial government to examine and choose from the various avenues of reform of property taxation involved the branch to a considerable degree and resulted in the introduction of a variable mill rate system. The Taxation and Intergovernmental Relations Branch began work leading to the creation of a detailed model of the comparative tax levels in several sectors of the province's economy. Refinement of this study is to continue into 1984.

As well, the branch undertook preparation of British Columbia's successful claim, under the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977 for a stabilization payment from the federal government. The claim, which involved subsequent negotiations with Ottawa, was the first ever filed by a provincial government.

SOCIAL POLICY BRANCH

The Social Policy Branch analyzes Treasury Board submissions, monitors expenditures, and prepares Treasury Board and Cabinet briefing material for the six ministries delivering social programs:

Attorney General
Education
Health
Human Resources
Labour
Universities, Science and Communications

The branch assists in the preparation of the annual spending estimates by aiding each of the above ministries in the preparation of its budget material for presentation to Treasury Board and Cabinet. As part of this preparation, the branch provides information to Treasury Board on alternative funding options for the operations of these ministries.

During 1983, the branch contributed to the achievement of the division's objectives, which included introducing manpower monitoring on an FTE basis, improving budget monitoring and streamlining briefing material.

ECONOMIC DEVELOPMENT POLICY BRANCH

The Economic Development Policy Branch analyzes Treasury Board submissions, reviews programs and monitors expenditures of nine ministries:

Agriculture and Food
Energy, Mines and Petroleum Resources
Environment
Forests
Industry and Small Business Development
Lands, Parks and Housing
Municipal Affairs
Tourism
Transportation and Highways

The branch assists in the preparation of the annual estimates by aiding each of the above ministries in the preparation of its budget material for presentation to Treasury Board and Cabinet. The funding requirements and financial performance of the following Crown corporations are monitored by the branch on an ongoing basis:

Pacific Coach Lines
B.C. Transit
B.C. Ferry Corporation
B.C. Steamships
B.C. Development Corporation

The branch also performs analyses of and makes recommendations on economic development policy issues facing the government.

FINANCIAL AND BUDGET ANALYSIS BRANCH

The Financial and Budget Analysis Branch revises government revenue and expenditure forecasts throughout the year, incorporating into them the financial impact of legislative proposals. The branch also forecasts the cash flow and borrowing requirements of the government. In 1983, particular emphasis was placed on the regular reforecast of provincial revenues, including that received from Crown corporations and from the federal government. A new computerized system for these monitoring activities was devised and became operational in 1983.

Among the objectives of the branch for 1983 was the establishment of an automated system of monitoring manpower usage; the branch worked with other government ministries to develop this system, which requires only minor manual adjustments. Closer integration of revenue and economic forecasts to ensure greater consistency in overall forecasting activities, was also achieved during 1983.

GOVERNMENT ESTIMATES AND ADMINISTRATIVE POLICY

The Government Estimates and Administrative Policy Branch of Treasury Board Staff coordinates the preparation of the government's expenditure Estimates and the Supplement to the Estimates. The branch also has responsibility for development and implementation of administrative policy relating to expenditure management throughout government. As well, the branch evaluates current policy, programs and budget submissions of the four ministries and four offices providing services to government:

Finance
Provincial Secretary and Government Services
Consumer and Corporate Affairs
Intergovernmental Relations
Premier's Office
Ombudsman
Auditor General
Legislative Assembly

The objectives of the branch in 1983 included the simplification of instructions to government ministries for annual budget preparation. Following internal review by Treasury Board Staff and inter-ministerial consultation, revised budget preparation instructions were circulated and were used for preparation of the 1984/85 Budget. The branch also developed a set of standardized program evaluation criteria to provide an appropriate framework for program and policy evaluation in the ministries and offices for which it held responsibility.

ANNUAL REPORT

OFFICE OF THE COMPTROLLER GENERAL

OFFICE OF THE COMPTROLLER GENERAL

The Office of the Comptroller General verifies expenditures and maintains central accounting, reporting, and payment systems for the government. It also advises Treasury Board on government accounting and financial administration policies (and on general management practices) and provides an internal audit function for the independent review of the efficiency and effectiveness of government financial control systems.

The Office of the Comptroller General consists of:

- Office of the Deputy Comptroller General
- Policy Development
- Policy Implementation
- Reporting and Analysis
- Government Payroll Office
- Financial Disbursement Operations
- Central Accounting
- Internal Audit

For 1983, the office continued to upgrade financial management in government by:

- modernizing the disbursement control and personnel payroll systems,
- upgrading the government's internal audit function, and
- further delegating financial management and control responsibilities to ministries.

Throughout the year, representation was maintained on the Canadian Institute of Chartered Accountants' Committee on Public Sector Accounting and Auditing. The office also hosted official visits from senior provincial and international representatives of other jurisdictions to exchange key information on financial administration policies and management practices.

POLICY DEVELOPMENT BRANCH

The Policy Development Branch develops all government accounting and financial administration policy for Treasury Board approval and ensures the integrity of financial legislation and financial provisions contained in the operating statutes. In 1983, the branch had responsibility for coordinating the development and dissemination of administrative policy and associated management practices.

The 1983 objectives set for the branch were to:

- review, develop, and communicate government-wide financial and administration policy and associated management practices,
- review all legislative proposals for financial management implications, and

- design, implement, and administer, in co-operation with the Public Service Commission, orientation and training programs to upgrade knowledge and skills in government financial management and control.

A review of all 1983 legislative proposals was completed on schedule as were the development and approval of 11 major additions to policies required under the Financial Administration Act, including new regulations for ministerial allowances and for the management and control of provincial guarantees and indemnities.

In co-operation with the Government Employee Relations Bureau, the branch developed for Treasury Board approval a new classification structure for 500 of the government's 700 financial officers. The branch also continued its Financial Administration Act orientation seminars, presenting 14 to approximately 250 government employees. By December 1983, 131 employees had completed the intensive, five day Government Financial Management and Control Course, and 106 were registered in the Financial Management Certificate Program.

POLICY IMPLEMENTATION BRANCH

The Policy Implementation Branch assists and advises ministries in planning and implementing the provisions of the Financial Administration Act and its related policies. The branch also monitors the development of financial information systems to ensure they incorporate adequate controls. This responsibility has become increasingly important as ministries begin to establish financial management information systems independent of the government's central accounting system.

Three objectives were set for the branch in 1983:

- to provide support for ministries both in the establishment of new and in the review of existing financial management information systems,
- to participate in systems development projects to ensure the installation of adequate controls, and
- to coordinate the government's Response to the 1982 Report of the Auditor General.

During the year, the branch undertook 141 projects concerning policy implementation, financial systems controls, and issues highlighted in the Annual Report of the Auditor General. Of these projects, 137 were completed on schedule.

REPORTING AND ANALYSIS BRANCH

The Reporting and Analysis Branch prepares the government's financial statements as disclosed in the Public Accounts, the Interim Financial Statement, and other government financial publications. The branch also prepares the government's Supply Acts and special warrants, manages the

Province's chart of accounts, and provides professional accounting advice to ministries and Crown agencies.

The branch completed the 1982/83 Public Accounts for submission to Treasury Board and the Auditor General by the September 30th statutory deadline. All financial statements required in 1983 were prepared without external consultants or additional auxiliary staff, resulting in cost savings of approximately 14 per cent over the previous year.

In addition to improvements in the clarity of notes and statements in the combined and consolidated sections of the 1982/83 Public Accounts, the branch prepared a new section entitled 'Trust Funds Under Administration'. This section provides additional information on trust funds, including a matrix balance sheet and operating statement, and notes on the major areas of pensions, sinking funds, other managed trust funds, and custodial deposits.

OFFICE OF THE DEPUTY COMPTROLLER GENERAL

The Office of the Deputy Comptroller General co-ordinates the roles and activities of the Financial Disbursement Operations and Central Accounting Branches, and the Government Payroll Office. It also directs these three branches in the achievement of their objectives.

The Office of the Deputy Comptroller General initiated a number of projects designed to reduce the flow of paper from ministries to the Office of the Comptroller General by 50 per cent by December 31, 1983. A major step toward this objective was the establishment of a policy encouraging increased use of ministry imprest bank accounts and petty cash funds. Although only three ministries had established their own imprest bank account by the end of 1983, paper flow was reduced by 30 per cent by the target deadline.

GOVERNMENT PAYROLL OFFICE

The Government Payroll Office is responsible both for the payment and control of government personnel costs and for administering a government-wide personnel and leave management system.

During 1983, the office paid approximately 43,600 provincial government employees each month for an average monthly payroll of $87.1 million. It also processed approximately 100,000 pay, personnel, and leave vouchers each month. On behalf of government employees through payroll deductions, the branch also administered and distributed 18,700 Canada Savings Bonds valued at $7.4 million.

The Government Payroll Office successfully met its 1983 objective to effect full implementation of a new payroll system designed to provide flexibility and control. The system provides detailed cheque stub information for employees and more current payroll data for management purposes. Through more efficient scheduling of data processing and

increased control over report production and disk and tape storage, the cost of producing a single pay cheque was reduced from $2.51 in January 1983 to $1.48 by year end.

During 1983, the office also achieved cost reductions in its government-wide personnel and leave management system through increased efficiency in the control of computerized data processing. In January, the system cost $1.03 per month for each employee. By December, this figure dropped to $.83 with no reduction in service to ministries.

FINANCIAL DISBURSEMENT OPERATIONS BRANCH

The Financial Disbursement Operations Branch produces all government cheques and audits government cheque and travel vouchers. Throughout 1983, the branch included three sections; Documentation and Control, Compliance Audit and Supplier Coding, and Vancouver Operations.

The branch achieved the following objectives during the year:

- processing of 613,000 payment vouchers valued at more than $7 billion,
- issuance of more than 2.9 million cheques,
- provision of documentation and control for all transactions processed through the government's central accounting system, and
- establishment of batch control methods and ministry protocol agreements, formalizing roles and responsibilities regarding the processing of accounts.

The branch successfully met its 1983 objective of improving efficiency and effectiveness by achieving the following:

- a decrease in data processing costs of approximately $20,000 per month,
- cheque production turnaround reduced from 10 to less than 8 days within the office,
- a 25 per cent reduction in manual cheque production,
- a 200 per cent increase in the general account vouchers processed by electronic fund transfer, and
- a new post audit process was developed and introduced in 1983.

The 1983 efficiency and effectiveness objectives for the branch were revised to cover all costs including overhead office expenses, space, storage, equipment, supplies, data processing, travel, and salaries. At the start of 1983, the average costs were $4.20 per cheque requisition and $2.52 per travel voucher; by year end, these costs were $3.28, and $1.20 respectively.

CENTRAL ACCOUNTING BRANCH

The Central Accounting Branch maintains the general ledger of the Province, including a central record of revenues, expenditures, assets, liabilities and trusts. Central Accounting is responsible for the financial control of expenditures paid through Government Agents on behalf of the Comptroller General and for the control of revenue from courts, Government Agents and other related bank transfers. The branch also maintains the records and approves payments related to funds held in trust by the government.

The following objectives were established for the branch in 1983:

- reduced production costs related to the central accounting system,
- reduced maintenance costs through the implementation of system release procedures, and
- a review of software systems available for producing the accounts of the Province.

Through system changes and improved controls, the branch reduced monthly production costs by approximately $25,000.

The branch met its efficiency standards for payroll transactions, expenditure vouchers, audit of revenue reports, and trust account transactions, at the same time achieving a 14 per cent reduction in staff. The breakdown, based on standard costs revised to reflect 1983 expenses, is as follows:

COST PER ITEM

ITEM	STANDARD	ACTUAL
	$	$
General Ledger Transactions	1.30	1.17
Expenditure Vouchers	.71	.68
Revenue Audit Reports	4.64	3.53
Trust Account Transactions	1.50	1.24

The branch, through organization and administrative changes, also achieved a 13 per cent reduction in photocopying and paper handling by year end.

INTERNAL AUDIT BRANCH

The Internal Audit Branch conducts regular appraisals of government financial controls and management systems. It also performs special government-wide and investigative audits as required, and provides functional direction to internal audit groups within ministries and agencies.

During 1983, the branch conducted 13 regularly scheduled audits throughout government and eight audits in response to special requests. The branch audited and certified 468 claims made by British Columbia under federal-provincial cost-sharing agreements. The net recovery of the

Province from these claims, valued at approximately $156 million, was approximately $74 million.

The branch also undertook and completed the following objectives:

- publication of the comprehensive Standards for Internal Auditing in the Government of British Columbia, which establishes the benchmarks of performance required from internal audit groups, and
- initiation of the implementation of internal audit branches in ministries.

Efficiency and effectiveness in the Internal Audit Branch is measured by the cost of each productive audit hour and adherence to established deadlines in producing audit reports. In 1983, productive hour costs were $34.53, within the standard of $35.00. Final audit reports were produced on average 18 days after audit completion, within the established deadline of 28 days.

ANNUAL REPORT

REVENUE DIVISION

REVENUE DIVISION

The Revenue Division administers the taxation statutes which are the responsibility of the Minister of Finance. Included are statutes covering property taxation in rural areas of the province, taxation of consumer sales, and taxation of personal and corporate income.

There are four branches in the division:

- Consumer Taxation
- Income Taxation
- Real Property Taxation
- Revenue Administration

The goals set for the Revenue Division in 1983 included:

- efficient and equitable administration of the 37 taxation statutes for which the Minister of Finance is responsible. Responsibility for the levy, assessment and collection of more than $2 billion under these statutes rests with the Revenue Division
- productivity improvement within the division emphasizing automation of manual procedures and development of new computer systems
- development of written documentation on all provincial tax policies and procedures.

In 1983, each branch of the division made significant progress towards a comprehensive manual system documenting tax policy, legislative interpretation and procedural aspects of tax administration. Nineteen computer and office automation projects were initiated in 1983 including:

- accounting for and monitoring more than 300,000 real property tax accounts
- introduction of variable mill rates in the rural areas
- initiation of a new collections and records system for income taxes
- automation of manual procedures for consumer taxation on the sale of boats and aircraft, on the purchase of fuel and tobacco and for refunds.

In 1983, the division also established a productivity task force to monitor and improve divisional productivity.

CONSUMER TAXATION

The Consumer Taxation Branch registers taxpayers, conducts field audits and inspections of taxpayers' records, and carries out office audit and tax collection programs to ensure compliance with provincial tax legislation for which it is responsible:

- Social Service Tax Act
- Hotel Room Tax Act
- Tobacco Tax Act
- Gasoline Tax Act

- Gasoline (Coloured) Tax Act
- Motive Fuel Use Tax Act
- Horse Racing Tax Act

At the end of 1983, 72,148 tax collectors were registered with the Consumer Taxation Branch. Of these, 67,817 registered under the Social Service Tax Act. The branch has 14 offices throughout the province, located at:

Vancouver	Penticton
Victoria	Kamloops
Williams Lake	Cranbrook
Prince George	Dawson Creek
Prince Rupert	Nanaimo
Nelson	Campbell River
Vernon	Chilliwack

The branch's success in ensuring compliance with the taxation statutes is measured by the ratio of administrative costs to revenue, by the amount of time taken to process new vendor registrations, and by the proportion of vendor accounts overdue.

During 1983, the cost of administering the tax statutes was $.34 per $100 of taxation revenue collected, below the benchmark established for the year of $.35. The branch was successful in processing all new vendor applications in less than the three days established as the maximum allowable time for this process. Delinquent accounts in 1983 averaged .58 per cent of the active tax roll, well within the 1.5 per cent target.

The effectiveness of the branch's audit function is measured by the amount of revenue recovered, by the number of audits completed, by the proportion of audit staff payroll to the total audit recovery, and by the timeliness of audits billed by the Victoria head office. In 1983, audit recovery averaged $332,442 per working auditor. Audit staff payroll was 8.8 per cent of total audit recovery, within the 10 per cent limit. A total of 3,874 audits was completed by 72 auditors; 99.6 per cent of all audits were reviewed and billed within 10 days of their receipt by the Victoria head office of the branch.

When the Reciprocal Taxation Agreement between the federal government and the Province of British Columbia came into effect April 1, 1983, the Consumer Taxation Branch assumed responsibility for its administration. Under this agreement the federal government pays all provincial consumption taxes and the provincial government in turn pays all federal sales and excise taxes. The agreement, which removed the previous mutual tax exemption of the two levels of government, was entered into in order to simplify tax systems of both levels of government.

During 1983, the branch achieved improvement in the administration and enforcement of fuel and tobacco legislation through establishment of improved tobacco tax desk audit procedures and through realignment of staff duties within the fuel and tobacco tax section of the branch.

INCOME TAXATION BRANCH

The Income Taxation Branch is responsible for administration of the following tax statutes in 1983:

- Income Tax Act (British Columbia)
- Corporation Capital Tax Act
- Logging Tax Act
- Mining Tax Act
- Insurance Premium Tax Act
- Fire Services Tax Act
- B.C. Payment to Canada of Federal Income Tax on Behalf of Natural Gas Producers Act
- Succession Duty Act (Repealed)
- Probate Fee Act (Repealed)

The branch also assists Revenue Canada with the compliance and informational aspects of the Income Tax Act (Canada). Under the tax collection agreement between the federal and provincial governments, the federal government collects personal and corporate income taxes on British Columbia's behalf.

During 1983, the branch pursued development and implementation of the second phase of a computerized records system. Completion of this phase of the branch's data processing system provided for management reports on taxpayer compliance, on delinquencies and on auditor performance, as well as for the automation of several manual systems.

The branch was able, during 1983, to reach its full staff complement and was thus able to effect an internal reorganization resulting in creation of a fourth taxation unit. The new unit specialized in income taxation matters, in examination of corporate tax allocations among provinces, and in personal income tax.

The branch was also able to set as goals, project-type audits of a wider scope than the usual single firm audits. In project-type audits, the activities of one firm in the industry are compared to others and the differences noted. Areas of the economy selected for such general taxation review in 1983 were the banking and petroleum industries. These reviews were successfully completed.

The branch is responsible for the registration of political parties and their signing authorities for tax deduction purposes under the Income Tax Act and for auditing political donations claimed under this Act.

At December 31, 1983, nine parties were registered with the branch:

British Columbia Social Credit Party
Communist Party of Canada
Green Party Political Association of British Columbia
Libertas Party of British Columbia

New Democratic Party of British Columbia
Progressive Conservative Party of British Columbia
The Liberal Party in British Columbia
Western Canada Concept
Western National Party

Efficiency and effectiveness of the branch was measured by the level of administration costs as a proportion of revenue, by compliance levels and by level of voluntary tax filings, and by the level and cost of the branch's audit activities. In 1983, branch costs were 58 cents per $100 of revenue collected and 95 per cent of taxpayers on the rolls filed tax returns voluntarily, above the 85 per cent standard set for the branch. Compliance revenue of $2,070,842 exceeded the branch's 1983 target by 71.7 per cent.

The branch's audit section activities met three of four standards set: audit payroll was 6.9 per cent of audit recoveries in 1983, below the 10 per cent ceiling; actual audit revenue exceeded expected audit revenue by 83.5 per cent.

During 1983, the branch's resource tax unit completed its audit review of major forest companies for taxation years prior to 1978. Audit revenue generated by this project was in excess of $2.5 million.

REAL PROPERTY TAX

The Real Property Taxation Branch administers taxes and special levies on taxable real property lying outside incorporated municipalities. This activity is carried out under the Taxation (Rural Area) Act, the Land Tax Deferment Act and the Home Owner Grant Act. Taxes are also levied by the branch on rural properties under the following statutes:

Education (Interim) Finance Act
Municipal Act
Hospital District Act
Assessment Authority Act
Municipal Finance Authority Act
Local Services Act
Library Act
Esquimalt and Nanaimo Railway Belt Tax Act
University Endowment Lands Administration Act
Agricultural Land Development Act
Grasshopper Control Act
Mobile Home Tax Act
Farm Distress Assistance Act
Highway Scenic Improvement Act
Riverbank Protection Act
Weed Control Act
Islands Trust Act

In 1983, the rural taxation roll contained 301,000 tax accounts, covering net taxable values of $2,723,000,000 under the Taxation (Rural Area) Act and $4,138,000,000 under the Education (Interim) Finance Act.

RURAL TAXATION INFORMATION

Year	Number of Rural Tax Accounts	Net Taxable Value: Taxation (Rural Area) Act ($ millions)	Net Taxable Value: School Purposes ($ millions)
1979	272,000	1,847	2,709
1980	278,000	2,175	2,948
1981	285,000	2,569	3,476
1982	294,000	3,003	4,384
1983	301,000	2,723	4,138

Year	Total Rural Property Taxes Collected ($ millions)	Total School Taxes Collected ($ millions)	Local Government Taxes Collected* ($ millions)	Other Taxes Collected ($ millions)
1979	21.8	133.6	27.1	1.8
1980	25.4	153.1	32.2	2.0
1981	29.2	197.3	38.9	2.5
1982	36.1	230.4	47.1	2.7
1983	32.6	231.8	50.8	2.7

*This includes Improvement District, Regional District, Hospital District, Library District and similar levies.

Under the Land Tax Deferment Program, seniors, widows, widowers and some handicapped property owners can defer or delay payment of taxes on their homes until the property is sold or passed on. The deferred taxes carry a compound interest rate of eight per cent per annum.

LAND TAX DEFERMENT IN RURAL AREAS

Year	Property Taxes Deferred $	No. of Full Tax Deferment Agreements	No. of Partial Tax Deferment Agreements	Cumulative Total Property Taxes Deferred $
1979	646,000	981	94	2,526,00
1980	792,000	1,073	79	3,202,00
1981	2,235,000	1,985	64	5,511,00
1982	2,988,000	2,941	61	8,097,00
1983	2,678,000	2,883	53	10,213,00

HOME OWNER GRANTS IN RURAL AREAS

Year	Applications	Total Grants $	Increase in Total Grants %
1979	75,412	29,800,000	28.4
1980	80,489	33,000,000	10.7
1981	85,590	33,900,000	2.7
1982	85,956	35,493,000	4.7
1983	84,967	36,261,000	2.2

In 1983, the branch met established work cycle deadlines in the Home Owner Grant and Land Tax Deferment Programs and in its general tax administration program.

REVENUE ADMINISTRATION BRANCH

The Revenue Administration Branch provides administration, accounting and collection services for the division. In 1983, the branch received more than one million tax returns under 14 statutes and banked more than $2.5 billion in tax revenue. In 1983, the branch's major objectives included: reduction of delays in banking revenues; improvement of speed and accuracy in tax account record maintenance; and improvement in communications with taxpayers. Despite an increase of approximately five per cent in the number of active taxpayers in 1983, tax revenues were banked and tax accounting performed more quickly than in the preceding year, while utilizing a reduced number of staff.

A further objective of the branch in 1983 was improved effectiveness in the collection of overdue taxes. While levels of overdue taxes remained unusually high due to the state of the economy in 1983, the branch achieved an increase over the previous year of $2.1 million in overdue consumer taxes collected, for a total of $30.3 million without increasing the branch's staff resources. In addition, the branch directed the collection of $11 million in delinquent property taxes. It also assumed full responsibility in 1983 for collection of overdue taxes under the five income taxation statutes, collecting a total of $6.5 million.

In 1983, the branch spearheaded the development of new computer systems and enhancement of existing ones in use by the Revenue Division. Among these are a new Real Property Tax Management Computer System, expected to be implemented for the 1984 tax year; a system enabling the Consumer Taxation Branch to monitor taxes on private vehicle and equipment purchases; and the introduction of micro encoders which significantly reduced bank service charges.

The branch was considered efficient and effective when it met measures of timeliness and remained within cost ceilings for the functions performed. During 1983, the branch came within all measures set for it.

ANNUAL REPORT

PROVINCIAL TREASURY

PROVINCIAL TREASURY

The Provincial Treasury manages the province's major financial assets and liabilities and is responsible for non-budgetary financial activities including management of pension and trust funds and of the government's consolidated revenue fund. The division coordinates financing to meet the capital requirements of the Province and its Crown corporations and agencies; it also negotiates bank services for the Province, maintains required records, registers securities issued by the Crown, and provides safekeeping for all securities on deposit.

The Provincial Treasury has four branches:

Banking and Cash Management
Central Borrowing and Planning
Investments
Securities and Administration

In 1983, the objectives set for the Provincial Treasury included:

- enhancement of computer systems within the division to improve efficiency and effectiveness,
- enhancement of the expenditure payments control system through increased use of electronic funds transfer and through matching cash flows, and
- development of simplified borrowing procedures preparatory to passage of amendments to the Provincial Treasury Financing Act.

Through the activities of its branches, the division was able to achieve these goals.

Other major achievements of the Provincial Treasury in 1983 included:

- development of a system of unitized investment accounting records. Extensive work was done on this project throughout the year resulting in the implementation of a pilot project in December 1983.
- establishment of the British Columbia Railway commercial paper program,
- continued successful operation of the weekly auction of provincial Treasury Bills, and
- privatization of registration and transfer functions on public debt issues in Canada.

BANKING AND CASH MANAGEMENT

The Banking and Cash Management Branch performs banking and accounting functions, and forecasts, monitors and controls the government's cash flow. The branch maintains records of investment transactions and provides management information on investment portfolios. It also maintains financial records and prepares annual statements for various financing authorities. In 1983, the branch managed a cash flow of $52 billion dollars.

The 1983 objectives set for the branch included:

- continued improvement to the cash management system involving upgraded revenue collection methods,
- reduction in banking costs for the Province and its agencies,
- introduction of an electronic funds transfer system for provincial government payments including payroll, and
- more efficient and effective operations through increased automation of high volume activities in the branch and use of computer-based management tools.

The branch met these objectives through:

- expansion of an accelerated deposit transfer system for collection of government revenues through the Province;
- renegotiation of certain banking services and examination of alternative methods of fulfilling the Province's banking needs;
- expanded use of electronic funds transfer, applying it to the majority of government grants and subsidies, and successful introduction of the direct deposit system to government payroll;
- approximately 20 per cent paper volume reduction in the branch's accounting and banking sections, through automation of revenue deposit information and of portions of the U.S. dollar commercial paper program.

The branch was efficient when established measures of timeliness in the accounting and banking functions were met, and when computer processing costs were below $15 per investment transaction. The branch was effective when long and short-term account inventories were maintained on a current basis and when all statutory obligations and reporting requirements were met. In 1983, the branch met these measures in all months except November and December when staff change in the banking control section resulted in delays in banking transactions.

CENTRAL BORROWING AND PLANNING

The major responsibilities of the Central Borrowing and Planning Branch during 1983 were:

- to advise and assist the Minister of Finance as fiscal agent for the Province and for various government entities in planning, arranging, negotiating and documenting borrowings and leasing arrangements as required.
- to develop and review capital financing strategies for the Province and for Crown corporations and financing authorities for which the Minister of Finance is fiscal agent, and
- to provide economic and financial market information and intelligence as required.

The major objectives set for the branch for 1983 were:

- to obtain least-cost financing to meet the various capital requirements of the province, its corporations and entities for which the Minister of Finance is fiscal agent,
- to develop and broaden capital markets, and
- to improve the quality and timeliness of financial market information and current economic analyses provided to the Minister, to senior ministry officials and to senior management of government corporations.

Through the activities of its borrowing operations section and its research and planning section, the branch met these objectives in 1983.

As well, the branch arranged and completed more than $3 billion in financings in 1983 for the Province and for various government corporate issuers. These financings were arranged in several markets, including: the United States public market; the Euro United States dollar market; the Euro Canadian dollar market; the Canadian public market; and private placement and lease financing markets.

Introduction and passage in 1983 of the Provincial Treasury Financing Amendment Act enabled the branch, on the Province's behalf, to access capital markets on behalf of government corporations. The government corporations thus achieved the benefits of the Province's superior credit rating and familiarity with money markets, when required to borrow for capital purposes.

An innovation in 1983 was the series of Capital Financing Seminars conducted by the Central Borrowing and Planning Branch. Four seminars were held successfully throughout the year as forums for an information exchange between Ministry of Finance personnel and senior management of provincial Crown corporations.

The branch's performance is measured according to the timely completion of reports and the success of financial transactions it undertakes. All standards set for the branch in 1983 were met.

INVESTMENTS BRANCH

The Investments Branch provides professional investment management of pension and sinking funds, of Crown corporation surplus funds, and of the consolidated revenue fund. It also identifies certifiable sinking funds and meets all foreign exchange conversion requirements for provincial institutions.

The 1983 goals set for the branch included:

- improvement of the financial management information system,
- implementation of a Canadian market maintenance program to ensure British Columbia borrowings are undertaken at favourable rates of interest, and

- development of a risk-determination system to assist in decision-making on investments and on asset mixes.

The branch achieved these objectives in 1983 and made substantial progress towards other goals:

- The financial management information system was improved through the development of a new securities and investment system. Full implementation of the system, which was begun at the end of 1983 as a pilot project, will include detailed performance measurements of the investment process.
- With the implementation of a complete Canadian market maintenance program in August 1983, the branch has narrowed the differences between recent British Columbia bond issues and those of the Province of Ontario by an average .05 per cent to .10 per cent.
- A systems program was developed in 1983 to assist the investment committee of the branch in its quarterly determination of the best asset mix for the provincial funds which are invested by the branch.

The branch also undertook the necessary groundwork to permit broadening of the investment guidelines for the province.

The operations of the Investments Branch were effective and efficient when all external investments were placed according to pre-determined guidelines. Performance is reviewed quarterly. The branch met these measures in 1983.

A total of $65,125,000,000 was placed in short-term investments in 1983, with an average term of 17 days. These investments were made at an average seven basis points above the market rate for a total profit above market of $2,100,000.

Long-term investments in 1983 totalled $548.9 million with an average term of 7.3 years. The average yield for these investments was 11.70 per cent which exceeded the Consumer Price Index of 5.8 per cent, providing a real rate of return of 5.9 per cent.

SECURITIES AND ADMINISTRATION BRANCH

The Securities and Administration Branch manages securities issued by the Province and its Crown corporations and agencies. This includes registration, receipt and payment, and safekeeping of securities, as well as sinking fund maintenance, bond printing and monitoring of the debt guaranteed by the Province. The branch also maintains Crown corporation trust accounts for the transfer of funds to and from the Province. Its responsibilities include the administration of law stamps and the distribution of funds pertaining to unclaimed dividends and companies in voluntary liquidation.

In 1983, the branch set and achieved the following objectives:

- substantial improvement to the expenditure accounting system for the Provincial Treasury,
- the development and implementation of an ownership record for the B.C. Railway promissory note program, and
- implementation of a computerized system for the servicing of the British Columbia School Districts debt resulting in a more efficient operation.

During 1983, the branch coordinated the printing and delivery of $629 million in Province of British Columbia bonds issued in the Canadian domestic market and a further $125 million issued in the European market.

The branch's operations were effective and efficient when its duties concerning the registration and custody of securities were performed accurately and promptly, when vouchers and reports were accurately prepared within established deadlines, and when the costs of its operations were lower than those for comparable commercial procedures.

In 1983, the branch consistently met all of its effectiveness and efficiency measures.

ANNUAL REPORT

MANAGEMENT SERVICES DIVISION

MANAGEMENT SERVICES DIVISION

The Management Services Division is responsible for the provision of administrative and technical services to the Ministry of Finance, and for provision of general government services and program information to the public.

The division has four branches:

Government Agencies
Personnel and Payroll
Information Systems Branch
(formerly Systems and Data Processing Branch)
Financial Services and Administration

During 1983, the Management Services Division was involved with the administration of government downsizing initiatives within the ministry; with wide-ranging improvements to ministry systems; and with improvements to the administrative processes within the ministry.

GOVERNMENT AGENCIES

The Government Agencies Branch provides the public with a wide range of government services and program information from offices throughout the province. The number of government agencies was reduced to 61 with the closing of the Vancouver government agency at Robson Square in September 1983. Reorganization of the branch during 1983 has replaced the previous regional structure with four administrative zones. Administration is effected from the Victoria headquarters of the Government Agencies.

An automated, two-way communication system was initiated in 1983 as a pilot project linking the agencies in Prince George, Kamloops, and New Westminster with the Victoria headquarters. As well, automation of the document-production function of the government agencies is the subject of an ongoing study. In keeping with the government-wide efforts to privatize certain functions, sale of Autoplan insurance was turned over to private insurance agents in 30 communities where the government agency had previously carried out this function. In 1983, the Government Agencies Branch collected a total of $362,891,579 in revenue for the provincial government including $128,715,946 for the Insurance Corporation of British Columbia.

Five protocol agreements were signed during 1983 with the following ministries for whom the agencies provide services (nine protocol agreements were signed in 1982). These agreements define responsibilities for work areas undertaken by the Government Agencies Branch on behalf of ministries.

MINISTRY	PURPOSE
Environment	-agencies sell licences for fish and wildlife branch purposes
Finance	-agencies perform collections services for rural property taxes
Provincial Secretary & Government Services	-agencies perform functions of registrar of voters
Public Service Commission	-agencies administer tests for entry into provincial public service
Agriculture & Food	-agencies perform accounting functions for collection of certain revenues

The number of general revenue transactions carried out by government agencies increased by two per cent in 1983, while the expenditure per $100 of revenue collected, decreased to $3.39 from $3.61. An estimated 650 individual functions which are carried out by the government agencies for ministries have been identified, of which approximately 45 per cent are major functions such as receipt of revenue, mineral claims documentation, and vital statistics registration.

PERSONNEL AND PAYROLL BRANCH

The Personnel and Payroll Branch, during 1983, provided the ministry with human resource management services including organization and classification analyses, staffing and training; workflow analyses of personnel functions and systems and general statistics; labour relations including providing input to and participating in agreements and investigating grievances; benefits and administrative services including the provision of general benefit adminstration and employee records, and support services for the branch.

In 1983 the payroll section of the Personnel and Payroll Branch was transferred to the Financial Services and Administration Branch.

The branch now comprises three sections:

- Operations
- Training and Development
- Benefit and Administrative Services

MINISTRY OF FINANCE
1983 Personnel Statistics

	1982	1983
Promotions and Transfers	96	41
Separations	86	81
Retirements	22	24
Grievances	8	16
Classification Analyses	n/a	57
Training Class Hours among 607 employees:		
Management staff	n/a	1,598 hrs.
Administrative Support staff	n/a	4,001 hrs.
Technical/Professional staff	n/a	195 hrs.
TOTAL		5,795 hrs.

The branch also undertook and completed, on schedule, the following projects:

- Developed and implemented a human resources information system for manpower analysis and planning by senior management. A computerized system (HRIS) was set up and the personnel data base use was increased.
- A workflow analysis and costing procedure for staffing actions was completed providing an objective basis for recommending revisions to current policies and procedures.
- Response services, audit capabilities and information for classification requests were improved by a streamlined analysis and reporting structure and a bi-monthly status report.
- An in-depth review of the Government Agencies Branch manpower needs was completed; in cooperation with the Government Employee Relations Bureau, Public Service Commission and the British Columbia Government Employees Union, a major reorganization plan was developed and implemented successfully.
- A plan for delegated recruitment and selection was requested and designed.

INFORMATION SYSTEMS BRANCH

The Information Systems Branch (formerly the Systems and Data Processing Branch) was reorganized in 1983 to increase efficiency and support of the ministry's systems operations.

There has been an increase in the use of in-house staff for system feasibility studies and a continued expansion of end-user computing facilities throughout the ministry. Rapid expansion of word processing facilities throughout the ministry took place in 1983. At the same time, upgrading of existing word-processing systems was carried out in the Revenue Division, in Treasury Board Staff, in the Office of the Comptroller General and in the Financial Services and Administration Branch. 1983 also saw

the introduction and use of personal computers and of electronic mail facilities in the Ministry. Consistent with these activities, major training programs were undertaken by the Information Systems Branch, both at management and support staff levels, to familiarize staff with the new and upgraded systems and ensure their optimum use.

The branch successfully completed the installation of the IBM 4331 computer and has worked with ministry divisions to upgrade operations documentation and thus reduce errors. Upgrading of the system to an IBM 4361 level was planned late in 1983 in order to increase system capacity and available disc storage. Throughout the ministry, the branch has worked to improve the use of technology and the use of automated techniques to improve error detection and control.

In 1983, the branch undertook development of a strategic information systems plan for the ministry to assess future systems needs and, late in the year, commenced a systems technology plan. Development of these plans, essential to the orderly development of systems application to the Ministry of Finance, will continue in 1984.

The efficiency and effectiveness of the Information Systems Branch is based on timeliness, accuracy and on quantity and unit cost of work performed for the ministry. The branch met all but two of the measures in 1983; labour disruption and reduced staff caused data entry schedules to be missed in November and December; and higher than expected unit costs resulted from staff downsizing where overhead costs remained at earlier levels (this situation was remedied in late 1983).

FINANCIAL SERVICES AND ADMINISTRATION

The Financial Services and Administration Branch maintains the ministry's system of financial administration and control and provides the ministry with office service, space management, and word processing services. Functions of the branch also include development and maintenance of ministry forms and policy and procedures manuals, and the management of the Suggestion Awards Programs.

The financial operations section coordinates the preparation, implementation and monitoring of the ministry's annual budget, and accounts for all ministry expenditures. The effectiveness and efficiency of the section is measured by voucher processing costs, by processing volume, and by voucher error rates. In 1983, the section consistently met three of the four standards set. The targeted cheque voucher error rate of 1.5 per cent was not achieved on an average annual basis, although significant improvement was made in the latter half of 1983.

The facilities management section coordinated new space and relocation projects during 1983; in doing so, it consistently met all time targets measuring efficiency and effectiveness and was well within the $3.40 per square meter of managed space which was the measurement standard; actual average cost per square meter which was managed by the branch was $1.35.

The office automation section of the branch provided the ministry with advanced word processing capability and, in 1983, achieved an electronic link between the automation centre and the Queen's Printer. Throughout the year, the office automation section met efficiency and effectiveness standards set for it and, with a cost of $1.26 per page was well within the $3.50 per page measurement.

The procedures and forms section provides research, editorial production and updating assistance on ministry policy and procedure manuals of which there are more than 70. Gross savings accruing from forms design in 1983 were $62,000, although these were exceeded by program costs pending implementation of several significant forms changes by branches in the ministry. In other areas, such as turnaround times for manual development and maintenance and average number of forms handled by staff members, the section was efficient and effective according to previously established standards.

The Suggestion Awards Program encourages government employees to submit ideas which streamline government procedures, lower costs and increase efficiency. In 1983, awards totalling $10,050 were made or recommended under this program for suggestions received from employees. The estimated net benefit to the provincial government following implementation of these suggestions was $288,500 for the year. Awards of up to $10,000 are available for employees' suggestion which qualify, calculated according to the anticipated benefit to the government. In 1983, the highest award was $3,000 shared by two employees of the Ministry of Environment who jointly submitted a suggestion for replacement of a manual accounts system with an automated one, using word-processing equipment already in place in the ministry.

During 1983, the Financial Services and Administration Branch achieved a 40 per cent reduction in the number of cheque vouchers processed for the Ministry of Finance through utilization of the senior financial officer's bank account for smaller payments, and through consolidation of certain payments to major suppliers. The branch also achieved $190,000 savings, or four per cent of the year's building accommodation budget, by reducing janitorial services and overall office space occupied by the ministry.

ANNUAL REPORT

PURCHASING COMMISSION

PURCHASING COMMISSION

The Honourable Hugh A. Curtis
Minister of Finance
Parliament Buildings
Victoria, British Columbia

Sir:

We have the honour to submit the Purchasing Commission's Annual Report for the year ended December 31, 1983.

L.I. Bell
Acting Chairman

A.E. Rhodes
Member

J.E. Woytack
Member

The Purchasing Commission is an agency of the Legislature which carries out the purchasing of goods and services, warehousing, and surplus reallocation and disposal for the provincial government and two Crown corporations (British Columbia Buildings and British Columbia Ferry Corporations). The commission also repairs and maintains business machines, lends and repairs audiovisual equipment, and lends office furniture to government ministries.

The commission has four branches:

- Procurement
- Materiel Administration
- Vendor Relations
- Policy and Administration

The Commission staff organization was restructured in 1983 to increase productivity and reduce government costs.

PROCUREMENT BRANCH

The Procurement Branch is responsible for assisting client ministries plan their materiel requirements, negotiating the purchase or lease of materiel, monitoring vendor and materiel performance, and establishing government materiel standards.

In 1983, the branch:

- established a client task force to identify new ways of reducing costs and meeting specific client requirements.

- achieved computerization of the procurement function to provide a comprehensive data base on purchasing activity, enabling purchasing agents to forecast demand, consolidate purchases and negotiate volume purchases.

During 1983, the Procurement Branch issued 21,475 Purchase Orders, 56,998 Invitations to Quote, received 25,099 requisitions and processed 15,682 Emergency Purchase Orders.

In August 1983, the division began tracking negotiated cost savings which totalled $409,418.51 by December 31, 1983.

In 1983, the cost of procurement was $1,166,629 or .45 per cent of the $261,131,970 total value of purchases undertaken throughout the year and within the .5 per cent standard set for an efficient operation.

VENDOR RELATIONS

The Vendor Relations Branch was created in 1983 to establish and maintain cooperative working relationships with suppliers. It also is responsible for the consolidation and management of contracted services, negotiated on behalf of clients; among the branch's goals is the achievement of cost savings through improved management of contracted services.

The branch's major initiative during 1983 was to establish a vendor task force of client, vendor and Commission representatives to identify opportunities for maximizing the effectiveness of the Government's purchasing process to the mutual advantage of both the Government and vendor community.

MATERIEL ADMINISTRATION

The Materiel Administration Branch joins the warehousing, surplus and disposal, asset management, repair and maintenance and loan services of the Commission within a common management and operating structure.

The Technical Services Section is responsible for the repair and maintenance of office equipment held by ministries and by the British Columbia Ferry Corporation and the British Columbia Buildings Corporation.

In 1983, the Technical Services Section exceeded by 4 per cent its objective to respond to 90% of repair calls within 48 hours. In 1983, the average cost of office machine repair carried out by the division was $36.28 per machine below the $40 per machine standard.

The branch completed 7,974 field preventive maintenance inspections and 11,306 field and shop repairs.

The Asset Disposal Section is responsible for the reallocaton or disposal of assets declared surplus by ministries and the British Columbia Ferry Corporation. Wherever possible the section provides serviceable surplus to clients, eliminating the requirement to buy new assets. The section lends surplus furniture and audio visual equipment to ministries, reducing the need for outside rentals.

Surplus sales in 1983 generated $2.588 million, of which 62 per cent was disposed of through private auction services or sales agents. During 1983, the asset disposal section held the government's first cash and carry surplus sale in Victoria, netting $30,539.22 which was returned to the consolidated revenue fund.

The Warehousing Section is responsible for maintaining stock to meet ministry needs in emergency situation or where it is the least cost method of providing supplies. Bulk and volume purchases are maintained which meet ministries' needs.

In 1983, the Warehousing Section filled 1,295 requisitions and 120 local minor orders for a total value of $1,995 million. Four new line items were added to the warehouse inventory at cost savings ranging from 5 per cent to 67 per cent.

The Inventory Management Section maintains records of office equipment and warehouse stock and assists ministries to arrange the redistribution of existing ministry stocks to meet urgent and emergency needs.

POLICY AND ADMINISTRATION

The Policy and Administration Branch is responsible for efficient and effective administrative support of the day to day operations of the Procurement, Materiel Administration and Vendor Relations branches; for computer operations within the Commission; and for the development and maintenance of procurement and materiel administration policy for government.

During 1983 the branch designed, developed and implemented, on time and at an efficient cost, a computer-assisted purchasing system. The branch co-ordinated the restructuring of the Commission and the development of a management plan. A lease/buy model was developed which enables purchasing agents and clients to identify the least cost form of procurement and, government policies and procedures for for general purchasing and materiel management were drafted for distribution in 1984.

ANNUAL REPORT

INFORMATION SERVICES

INFORMATION SERVICES

In 1983, Information Services continued to provide information to the public and the news media through the writing and distribution of news releases and by responding to written and verbal enquiries concerning the Ministry of Finance and the economic and financial affairs of the government.

The branch produced and distributed all major Ministry of Finance publications in 1983, and coordinated responses to questions posed to the Minister of Finance by members of the Legislative Assembly.

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Victoria, 1984

MINISTRY OF FINANCE

Annual Report 1983

Province of British Columbia

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